



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4

ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

February 14, 2008

Heather Abrams, Chief
Air Protection Branch
Environmental Protection Division
Georgia Department of Natural Resources
4244 International Parkway, Suite 120
Atlanta, Georgia 30354

Dear Mrs. Abrams:

This correspondence is being sent to provide you with an official final copy of the Environmental Protection Agency (EPA) Region 4 report, which was completed as a result of the EPA Title V program evaluation conducted on August 1 – 2, 2007, (see Enclosure). The purpose of this program review was to evaluate the status and the ability of the Georgia Environmental Protection Department (EPD) to carry out the duties and responsibilities required to effectively run the title V programs, as well as find out how EPA can best assist the EPD in meeting these commitments.

I would like to thank you and your staff for your cooperation throughout the evaluation. Your staff responded to the questionnaires and provided all requested material in a timely and professional manner. In addition, with the exception of the fee issues, which were addressed in a separate letter dated February 7, 2008, to Director Dr. Carol Couch, EPA believes that the EPD is operating the title V program at a high level of proficiency and looks forward to working with the EPD to resolve these areas requiring correction. I commend you on the performance of your title V program.

If you have any questions regarding the report, please do not hesitate to contact me or have your staff contact Randy Terry of the EPA Region 4 staff at (404) 562-9032.

Sincerely,

A handwritten signature in black ink, which appears to read "Carol G. Zemberger".

Beverly H. Banister
Director
Air, Pesticides and Toxics
Management Division

Enclosure

Georgia Environmental Protection Department Title V Program Review

The Georgia Environmental Protection Department (EPD) initial program review was conducted the week of June 14 through June 17, 2004, and is kept on file at the U.S. Environmental Protection Agency Region 4 (EPA) office in Atlanta, Ga. Based on the information gathered from the title V program evaluations and the implementation of new title V permit requirements, EPA committed to conduct a second round of title V program reviews for all state and local programs that had at least 20 title V major sources within their jurisdiction by the end of FY 2010.

The second program evaluation of the EPD title V program was conducted on August 1– 2, 2007, in Atlanta, Georgia. This evaluation consisted of five separate sections: resources and internal management (including a title V funds review); public participation; districts and locals call; permit file review; and follow up from previous program evaluation. Upon EPA's arrival at the EPD, a list of five title V sources with compliance assurance monitoring (CAM) plans that EPA planned to review to as part of the program evaluation was provided to EPD. An entrance interview between EPA and key staff of the EPD was conducted, with EPA, explaining the details that Region 4 would be addressing during their State office visit. The following parties attended the initial meeting: Randy Terry (EPA Region 4); Art Hofmeister (EPA Region 4); Heather Abrams (EPD); and Jac Capp (EPD).

Georgia Title V Program Review

1. Program Review

A. Resources and Internal Management Support

EPD's current title V fee rate is \$32.50 per ton of pollutant up to 4000 tons with a minimum title V fee of \$2500.00 dollars. Total title V fees collected in FY 2006 were \$11,080,190.00 dollars. EPD's title V expenses are tracked using a separate budget code for title V and non-title V expenses. EPD's title V revenue from each source is mailed into a lockbox and separated out from the other revenue. EPD then receives a report on the amount of title V revenue received. However EPD funds account does not allow for rollover of funds as allowed in 40 CFR part 70. Therefore, at the end of each fiscal year, either title V has a surplus which is then transferred to the general funds and spent, which is not allowed under part 70, or title V has a shortage and is required to pull funds from the general account to cover this shortage which indicates that EPD is not charging sufficient title V fees to cover all title V expenses for that year, which is also required under part 70. Over the past six years, EPD has transferred a surplus of approximately \$145,000.00 dollars from the title V funds to the Georgia general funds for uses other than title V. In FY 07, EPD had a surplus of \$101,490.54 dollars, which was then transferred to the general funds for use.

At the time of the evaluation, EPD employed 33 full-time equivalent (FTE) permit writers and had approval to fill to vacancies to increase that number to 35. EPD has advertised to fill both these permit writer positions and expects to fill these positions during the winter quarter, but the hiring process is lengthy. It takes an average of two months to get permission to advertise positions deemed critical. Recent hires have been a mixture of recent college graduates and older, more experienced employees. EPD's salary structure is designed to allow them to offer competitive salaries with other State agencies to retain employees, but less than the salaries offered by private industry or federal employment. The salary structure does not allow for adjustments of current staff salaries.

EPD permit writers do not work 100 percent of the time on title V permits. Their additional job responsibilities include time devoted to minor and major new source review, synthetic minors, permit by rule, and emission reduction credits. Since the initial program evaluation EPD has initiated an annual analysis of the amount of time spent by staff working on title V and non-title V activities to determine the percent of time spent working on title V and non-title V activities. Use of this information helps EPD determine if their current staffing levels are correct or if adjustments need to be made. This analysis is also used as the basis used by EPD in determining the percentage of title V monies to be contributed to indirect costs associated to title V.

EPD provides many opportunities for staff to obtain key training throughout the year. These training activities include courses provided internally by EPD and by EPA. To better facilitate the learning experience, each new permit writer is assigned a mentor to provide additional assistance. EPD has developed their own internal training for Compliance Assurance Monitoring (CAM) and many of their permit writers have taken the Rutgers CAM training presented by Peter

Weslin. EPD has also developed a narrative template for each permit writer to utilize to ensure that all the necessary components are contained within their statements of basis. EPD strongly believes that the two biggest internal roadblocks to permit issuance has been: 1) a low pay scale, which creates a high staff turnover, causing EPD to have a hard time holding on to institutional knowledge; and 2) the lack of enough staff to handle the backlog.

B. Public Participation

EPD does not publish any notices of draft title V permits. In Georgia, it is the permittee's responsibility to publish the public notice at their expense. Permittees are required to publish the public notice in the "legal organ for the affected area." However, EPD does utilize both the internet and a list server as means for notifying the public of permits, but does not consider these as official methods of notifying the public. In addition, EPD maintains a mailing list to notify any persons interested in title V permits. Anyone interested in being on this mailing list can submit a request, by phone, email, or mail to the Air Protection Branch, to be included. There is no fee charged for inclusion. Persons on the mailing list receive notification of EPD's intent to issue a permit. Anyone wishing to make copies of a specific permit can come to the EPD Air Protection offices and have copies made.

During the public comment period, the public can obtain permit related information, such as the public notice, permit applications, draft permits, and statement of basis, either from the EPD website or visit the air branch office to review the files. In the event that the application is not submitted electronically, a hard copy of the application is made available at the county courthouse or the EPD district office nearest to the source. The EPD currently has no statutory requirements to reach out to any specific communities beyond the standard public notification process and does not provide notices in any language other than English.

On the occasions that EPD has been asked by the public to extend the public comment period they generally have not granted extensions because Georgia regulations do not include provisions for extending the public comment period. However, although they do not extend the comment period, EPD does respond to comments received after the comment period has expired. In addition, EPD utilizes an Outreach and Public Marketing section to assist them in all public relations on the permits.

C. Renewal Permits and File Review

EPD is currently in the process of issuing renewal title V permits. At the time of the program evaluation, EPD had issued 86 renewal permits over the past 12 months. In addition, EPD has consistently been working to eliminate their backlog of title V renewal permits. At one point EPD's backlog (applications older than 18 months) had grown to a high of 38 permits. Since that time, EPD made eliminating the backlog a priority and has been able to reduce the backlog of title V renewals applications from 38 to 9, with plans on completely eliminating the backlog within the next 12 months.

EPA selected three (3) CAM plans for review from a list of subject sources provided by EPD. The CAM plans reviewed included: Georgia-Pacific's Cedar Springs facility, Georgia Power

Company's Plant Bowen, and Pactiv Corporation. Overall, these particular plans appeared to be complete. The Pactiv plan, however, could have been improved by including a rationale to explain (primarily for the lay person's benefit) how the selected monitoring parameter (oxidizer combustion temperature) would ultimately assure compliance with the established emission limit (3-month rolling total of VOC emissions). EPD acknowledged this opportunity for improvement, but went on to state that such shortcomings do not typically delay the processing of CAM plans (and subsequent permitting actions) because their staff has a good understanding of air pollution control techniques, particularly as it relates to the control of VOC emissions from thermal oxidizers.

D. Initial Program Evaluation Follow Up.

EPD must provide a better accounting demonstration of the utilization of title V funds. As noted above, EPD uses a singular account to hold title V monies and synthetic minor fees. The only available survey indicates that the monies are not spent in the same relative percentage as the permit engineers time is used (i.e., 83 and 17 percent vs. 88 and 12 percent). EPA believes that this is not an adequate demonstration that title V monies are being utilized only for title V activities.

- Since the program evaluation, EPD has developed a process by which they annually track the amount of time each staff member spends on title V work versus non-title V work. Implementation of this process has resolved EPA's concerns over EPD's inability to accurately demonstrate the amount of monies being used for title V activities.

E. Program Improvements

EPA has serious concerns about the EPD's co-mingling of funds between the title V funds and other funds including general treasury funds. Specifically with EPD having no ability to rollover title V funds, each year the title V program either loses a surplus of title V funds to the general treasury or a shortfall in title V revenue is covered by obtaining funds from the general treasury both of which are in direct conflict with the requirements of 40 CFR part 70. EPD needs to establish a method of accounting which allows for a rollover of title V funds. A rollover provision will create an ability to ensure that the title V funds are separate, only used for title V activities and the only funds used for title V activities. The ability to rollover funds will also help demonstrate that the EPD title V fees are adequate to support the program.

Conclusion

At the conclusion of the onsite portion of the Title V program review, Region 4 personnel met with key EPD officials to conduct an exit interview. During this exit interview Region 4 shared the findings of the review and laid out a timeframe for when the final report would be completed. In addition, Region 4 queried EPD about ways to possibly improve the program reviews. EPD responded that the evaluation was thorough and had no additional suggestions for improving the evaluations. Personnel in attendance from EPA Region 4 were Randy Terry and Art Hofmeister.

EPD officials in attendance included Heather Abrams, Chief of the Air Protection Branch, and Jac Capp.

Overall, EPA believes that EPD is operating the title V program at a high level of proficiency and looks forward to working with the EPD to address the areas needing improvement in the future.